

Washington Tariff & Trade Letter

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TOP STORIES

[Lutnick Grilled on Trade Policy](#)

On June 4, 2025, Commerce Secretary Howard Lutnick testified before the Senate Appropriations Subcommittee on Commerce, Justice, Science, and Related Agencies, addressing the Department of Commerce's Fiscal Year 2026 budget request. "We are absolutely seeking reciprocity with respect to things that can be reciprocal," the Secretary said. [READ MORE](#)

[National Security & Commerce Budget Cuts Loom](#)

Federal counterterrorism and financial intelligence enforcement activities face markedly lower funding in the "Big Beautiful Bill" budget under consideration in the Senate. While Commerce is asking for an increase in BIS funding, other areas, including export promotion, are being gutted. [READ MORE](#)

[White House Pushes Back on Russia Sanctions](#)

The White House is pressing Sen. Lindsey Graham (R-SC) to significantly revise the Sanctioning Russia Act of 2025, which currently commands broad bipartisan support in the Senate. Congressional aides warned that such changes would "render Graham's bill toothless." [READ MORE](#)

[Steel Tariff Boost Takes Effect](#)

As announced last week, the Trump Administration doubled tariffs on imported steel and aluminum from 25% to 50%. Canada, as the largest supplier of aluminum and a major exporter of steel to the U.S., is expected to be significantly affected. [READ MORE](#)

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TARIFF TALK

Xi "Takes Trumps Call"

Chinese President Xi Jinping "took a phone call" from US President Trump June 5, reaffirming commitments made during last month's U.S.-China economic and trade negotiations in Geneva. The conversation, which lasted approximately 90 minutes, focused primarily on implementing the trade agreement reached during those talks. [READ MORE](#)

EU Snuffs Tariff Challenge

The EU Court of Justice recommended dismissing Zippo Manufacturing Co.'s legal challenge against EU retaliatory tariffs on U.S. goods, reinforcing the European Commission's authority to impose such duties under international trade law. [READ MORE](#)

USTR Extends China 301 Exemptions

The Office of the United States Trade Representative (USTR) has extended a set of product exclusions from Section 301 tariffs on Chinese goods through August 31, 2025. The decision, published in the Federal Register on May 31, applies to 164 previously reinstated exclusions and 14 solar manufacturing-related exclusions. [READ MORE](#)

POLICY & POLITICS

Import Drop Shrinks Trade Deficit

The U.S. international trade deficit in goods and services fell to \$61.6 billion in April, a 55.5% decline from March's revised \$138.3 billion, according to data released jointly by the U.S. Census Bureau and the Bureau of Economic Analysis.

Exports rose by \$8.3 billion to \$289.4 billion, while imports dropped sharply by \$68.4 billion to \$351.0 billion. The goods deficit decreased by \$75.2 billion to \$87.4 billion, and the services surplus rose by \$1.5 billion to \$25.8 billion. [READ MORE](#)

Bulk Ag Export Declines

The U.S. Department of Agriculture (USDA) projects major bulk commodities—grains, soybeans, and cotton—will account for only 28.5% of total U.S. agricultural exports in FY 2025, marking the lowest share on record. This decline reflects both falling prices and a shift in global demand. [READ MORE](#)

[Senators Decry Watering Down Disclosures](#)

U.S. Senators Sheldon Whitehouse (D-RI) and Charles Grassley (R-IA) submitted formal opposition to a recent Interim Final Rule issued by the Financial Crimes Enforcement Network (FinCEN), which ...[READ MORE](#)

[Canadian Tungsten Supplier in Focus](#)

The same day that it announced the appointment of former BIS Chief Alan Estevez to its Board, Canadian tungsten miner Almonty Industries received a letter from House China Committee Chairman John Moolenaar (R-MI) seeking information on Almonty's operational plans and capacity regarding its South Korean operations. [READ MORE](#)

[Nominations for Treasury CFIUS, CFT Roles](#)

President Donald Trump has nominated Chris Pilkerton to serve as Assistant Secretary for Investment Security at the U.S. Department of the Treasury. Additionally, Jonathan Burke has been nominated as Assistant Secretary for Terrorist Financing at the Treasury Department. [READ MORE](#)

[Entry Ban on Nationals From 19 Countries](#)

President Trump issued a sweeping new immigration proclamation on Tuesday evening, reinstating and expanding entry restrictions for nationals of 19 countries deemed to pose heightened risks to U.S. national security, public safety, or immigration law compliance. [READ MORE](#)

SANCTIONS & ENFORCEMENT

[ABA Urges OFAC to Issue Implementation Guidance on New 10-Year Recordkeeping Rule](#)

The American Bankers Association (ABA) has formally requested additional guidance from the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) regarding its final rule extending recordkeeping requirements to ten years for sanctions compliance purposes. [READ MORE](#)

OFAC Targets Iranian Bankers

Treasury's Office of Foreign Assets Control (OFAC) has designated over 30 individuals and entities linked to Iran's sprawling "shadow banking" infrastructure, including three Iranian brothers accused of laundering billions of dollars through international financial systems to support Iran's oil exports, weapons procurement, and terrorist proxies. [READ MORE](#)

FinCEN Updates Iran Alert

On June 6, 2025, the Treasury's Financial Crimes Enforcement Network (FinCEN) issued an advisory detailing Iran's illicit financial activities, including oil smuggling, shadow banking, and weapons procurement. This advisory supersedes the 2018 version, providing updated insights and red flags for financial institutions. [READ MORE](#)

Sea Captain Convicted Smuggling for Houthis

A federal jury convicted Pakistani sea captain on multiple terrorism and weapons trafficking charges related to smuggling Iranian-made advanced conventional weapons to Houthi rebels in Yemen. [READ MORE](#)

Extraterritorial Sanctions Alert

Dentons has published a client alert which concludes that Ukrainian sanctions can apply extraterritorially. [READ MORE](#)
